

DEPARTMENT OF CITY CLERK

CITY HALL

MARCH 13, 1975

The Committee on Finance meets this day in the Conference Room, City Hall, at 3:00 o'clock P.M.

Present: Chairman Lynch and Councilmen McKiernan, Crowley, Councilwoman Brassil, Councilmen Garan, Stravato and Bradshaw.

Also present by invitation are Finance Director Izzo; Charles R. Wood, Business and Operations Manager of the School Department; George Moorachian, Budget Officer of the School Department; and Stanley Bernstein, Executive Director of the Redevelopment Agency. Rose M. Mendonca, Assistant Clerk.

RELATIVE TO AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1974-19, APPROVED JUNE 19, 1974, BY APPROPRIATING THE SUM OF FOUR HUNDRED SIXTY-NINE THOUSAND EIGHT HUNDRED FORTY-FIVE DOLLARS (\$469,845.) TO SCHOOL DEPARTMENT.

Chairman Lynch informs Messrs. Wood and Moorachian they were invited to attend this meeting to explain the above request.

Mr. Wood states this is necessitated by such reasons as the cost of fuel oil, electricity, maintenance and having no glass to replace in windows.

Mr. Moorachian passes to the members present the Resolution of the School Committee requesting the funds for the amended budget for the fiscal year ended June 30, 1975 and the explanation, as follows:

RESOLUTION requesting the Mayor and City Council for certain budget amendments.

PRESENTED BY Superintendent, Charles M. Bernardo and Business and Operations Manager, Charles R. Wood

RESOLVED, That the best interest of the School Department in providing educational services and programs require amendments to the 1974-1975 budget for the School Department:

Item 0 no change	\$23,287,538.72	to	\$23,287,538.72
Item 1 increase from	2,821,922.00	to	3,031,758.00
Item 2 increase from	1,553,500.00	to	1,807,279.00
Item 3 increase from	3,455,985.00	to	3,461,215.00
Item 5 increase from	201,543.00	to	202,543.00
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Total increase from	\$31,320,488.72	to	\$31,790,333.72

RECOMMENDED AMENDED BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 1975

	REFERENCE EXHIBIT		
Total Revised Projected Budget	"C"	\$31,790,333.72	(1)
LESS:			
Approved Budgeted Revenues	"B"	31,320,488.72	
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Supplemental Appropriation Required		\$ 469,845.00	(2)

Comments:

- (1) This amount when compared to the "Revised Budget Estimate" for 1974-75 as reported in the "Budget of Revenue" portion of the 1975-76 Administration Budget is \$455,686.72 greater which represents "adjustment for non-reoccurring City Appropriation".
- (2) The probable source of funds available to the City Council with which to finance this required supplemental appropriation is as follows:

Anticipated Excess Revenues (Exhibit B)

\$469,845.00

PROVIDENCE SCHOOL DEPARTMENT
BUSINESS AND OPERATIONS MANAGER'S DEPARTMENT
SCHOOL CONTROLLER'S DIVISION

EXHIBIT "B"

SOURCE OF REVENUE	ORIGINAL BUDGET ESTIMATE	REVISED BUDGET ESTIMATE	INCREASE OVER ORIGINAL BUDGET ESTIMATE	ACTUAL RECEIPTS AS AT JANUARY 31, 1975	BUDGET COMPARISON EXCESS (UNCOLLECTED)
	City Appropriation	\$21,784,749.72	\$21,784,749.72	\$ --	\$21,784,749.72
Departmental Revenue	91,600.00	124,243.00	32,643.00	131,141.28	6,898.28
State Revenue	9,360,599.00	9,637,323.00	276,724.00	4,833,655.02	(4,803,667.98)
Federal Revenue	83,540.00	244,018.00	160,478.00	80,089.56	(163,928.44)
Totals	<u>\$31,320,488.72</u>	<u>\$31,790,333.72</u>	<u>\$469,845.00</u>	<u>\$26,829,635.58</u>	<u>\$(4,960,698.14)</u>

Comments:

- (1) The principal contributing element in this anticipated increase which relates specifically to Chapter 27 State Grants-in-Aid, is that the rate of expenditure reimbursement under Chapter 27 changed from the estimated 30 percent minimum to a rate of .31862 due principally to inclusion in the State formula of nonpublic school enrollments.
- (2) Contributing to this estimate of excess revenues is an estimated \$65,000. to be received under P. L. 874, Impacted Area Program.

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RECOMMENDED AMENDED BUDGET
 BUDGET EXPENDITURES BY MAJOR LINE ITEMS
 1974 - 1975

EXHIBIT "C"

MAJOR EXPENDITURE CODES	MAJOR CLASSIFICATION EXPENDITURES	REFERENCE SCHEDULES	APPROVED BUDGET	INCREASE (DECREASE)	RECOMMENDED AMENDED BUDGET
000	Personal Services		\$23,287,538.72	-0-	\$23,287,538.72
100	Services Other Than Personal	#1	2,821,922.00	\$209,836.00	3,031,758.00
200	Materials & Supplies	#2	1,553,500.00	253,779.00	1,807,279.00
300	Special Items	#3	3,455,985.00	5,230.00	3,461,215.00
500	Capital Outlay	#4	201,543.00	1,000.00	202,543.00
Totals			<u>\$31,320,488.72</u>	<u>\$469,845.00</u>	<u>\$31,790,333.72</u>

RECOMMENDED AMENDED BUDGET - SERVICES OTHER THAN PERSONAL (ITEM 1)
 1974 - 1975

	TOTAL AUTHORIZED BUDGET	RECOMMENDED AMENDED BUDGET	Schedule #1 AMOUNT OF INCREASE
Other Fees (109)	\$162,275.	\$207,275.	\$ 45,000. (1)
Electricity (131)	302,476.	447,671.	145,195. (2)
Repairs to Other Equipment (149)	125,665.	142,065.	16,400.
Data Processing Services (180)	193,200.	196,441.	<u>3,241. (3)</u>
Total Services Other Than Personal			<u>\$209,836.</u>

Comments:

- (1) Funds required for police details to keep order in the schools for the remainder of the year.
- (2) Budget deficiency due to greater useage than anticipated (\$40,985.) and rate increases (\$104,210.).
- (3) New program costs.

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SCHEDULE #2

PROVIDENCE SCHOOL DEPARTMENT
BUSINESS AND OPERATIONS MANAGER'S DEPARTMENT
SCHOOL CONTROLLER'S DIVISION

RECOMMENDED AMENDED BUDGET - SUPPLIES (Item 2)
1974 - 1975

	<u>TOTAL AUTHORIZED BUDGET</u>	<u>RECOMMENDED AMENDED BUDGET</u>	<u>AMOUNT OF INCREASE</u>	
Electrical Equipment & Supplies (217)	\$ 26,250.	\$ 26,950.	\$ 700.	
Plumbing and Heating Supplies (219)	28,000.	31,000.	3,000.	
Glass (220)	25,000.	45,000.	20,000.	
Kitchen Supplies (227)	45,000.	65,000.	20,000.	(1)
Fuel (241)	604,298.	814,377.	<u>210,079.</u>	(2)
Total Supplies			<u>\$253,779.</u>	

Comments:

- (1) Increased costs of 88% for disposable trays.
- (2) Amount required to restore to original School Committee approved budget request (\$158,000.). Price increases (\$52,079.).

RECOMMENDED AMENDED BUDGET - SPECIAL ITEMS (ITEM 3) SCHEDULE #3

	<u>TOTAL AUTHORIZED BUDGET</u>	<u>RECOMMENDED AMENDED BUDGET</u>	<u>AMOUNT OF INCREASE</u>	
Other Fees (399)	-0-	\$5,230.	\$5,230.	(1)

Comments:

- (1) Cost of aides disability insurance program approved in new aides contract for 1974-75.

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SCHEDULE #4

RECOMMENDED AMENDED BUDGET - EQUIPMENT (ITEM 5)
1974 - 1975

	<u>TOTAL AUTHORIZED BUDGET</u>	<u>RECOMMENDED AMENDED BUDGET</u>	<u>AMOUNT OF INCREASE</u>
Agricultural & Landscaping Equipment (571)	\$3,500.	\$4,500.	\$1,000.

Mr. Moorachian explains, in detail, the budget amendments.

He states schedule 1, \$45,000 is for police details in the schools for the remainder of the year. Off-duty men are assigned to the schools for police detail in there.

Mr. Wood states Item 2 is for electricity, there is the fuel adjustment charge and the fact they have upgraded the quality of lighting in certain schools.

Mr. Moorachian states the third is for repairs to the Plant Maintenance Department. This would be for all repairs throughout the various schools.

The data processing was not included in the contract through the City. The inventory code system was just set up this past year and sick leave system which is part of the union contract.

Mr. Wood states there has been about \$100,000 savings in sick leave due to this system, which they feel is due to the fact that teachers know this is in use.

Mr. Moorachian states in Schedule 2, they are just running out of money and in order to keep up various repairs, they need this additional amount for the Plant and Maintenance Department. He states much money is spent on windows in the schools, but over a five year period, 40% of all the windows are lexan.

As far as kitchen supplies, under 1 and 2, they were cut about \$36,000 on the last year.

Under Schedule 3, there is no budget for this item because of the aides contract, they ask for this for the disability insurance program, that is a provision of the Union Contract.

The fourth item is the replacement of the lawnmowers that had been stolen from Conley Stadium.

Following considerable discussion ^{relative to} the request, Messrs. Wood and Moorachian are excused at this time.

On motion of Mr. McKiernan, seconded by Councilman Stravato and Councilwoman Brassil, the foregoing Ordinance is transmitted to the City Council with recommendation of Passage.

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RESOLUTION AUTHORIZING THE CITY TREASURER TO BORROW, NOT EXCEEDING EIGHT HUNDRED FIFTEEN THOUSAND FOUR HUNDRED FORTY-SIX DOLLARS (\$815,446.00), EXCLUSIVELY FOR THE FINANCING OF THE REDEVELOPMENT PLAN FOR THE WEST BROADWAY PROJECT AREA, PROJECT NUMBER R.I. A-2-1 (3).

Stanley Bernstein, Executive Director of the Redevelopment Agency has been invited to this meeting to explain the above Resolution.

Mr. Bernstein states that the City Council passed Ordinance No. 557 in November 11, 1974, which in part amended the West Broadway Project Area by increasing to combine the third year; the amount is \$3,261,786 is the increase for the third year, which the local share is \$815,446 and the federal government amount is \$2,446,341. In order to get the city cash contribution set forth in the approved Ordinance, they have been required to submit a Resolution to the City Council asking for this money and that is what the above Resolution does.

It is his understanding that the money will come from the balance of Redevelopment Bond funding which is now some \$15,000,000.

Councilman McKiernan questions what the standing of this West Broadway Project is in view of the fact the Mayor is being advised not to fund this from federal funds?

Mr. Bernstein states this extends the West Broadway Project and they received the approval from the Federal Government yesterday, saying the third year has been funded. He states what Councilman McKiernan is talking about is the Community Development Program in the City of Providence, for which there is money available to the City, the Citizens Advisory Committee knocked that out.

Councilman McKiernan is of the opinion the people in that area, did not want redevelopment there.

Mr. Bernstein states as he understands it, the people there are disturbed by the action taken by the working group and he believes the people are going to petition the Mayor to restore the \$491,000.00.

The City Council can request the Mayor restore it, or the Mayor can restore it on his own. They knocked the \$491,000 out and added it to rehabilitation loan and grants, there will be rehabilitation loan program in the West Broadway Area.

Ensuing a brief discussion, Mr. Bernstein is excused at this time.

On motion of Councilman McKiernan, seconded by Councilman Crowley, it is voted to Recommend the above Resolution to the City Council for Adoption.

Councilman McKiernan states he reserves his right if the people in the area do not want the renewal.

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AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1974-19 APPROVED JUNE 19, 1974 BY APPROPRIATING THE SUM OF ONE THOUSAND THREE HUNDRED FIFTY DOLLARS (\$1,350.00) TO CITY COUNCIL.

Chairman Lynch explains to the members the above Ordinance is an appropriation to cover the parking for the members of the City Council and the Mayor in the Parkade. This amount is required for the balance of the fiscal year.

On motion of Councilman Bradshaw, seconded by Councilman Stravato and Councilwoman Brassil, it is voted to transmit the above Ordinance to the City Council with recommendation of Adoption.

RESOLUTION REQUESTING ALL DEPARTMENT HEADS TO SUBMIT TO THE COMMITTEE ON FINANCE, A COMPLETE NARRATIVE REPORT SUPPORTING IN DETAIL, THE FINANCE REQUIREMENTS OF THEIR RESPECTIVE DEPARTMENTS.

Chairman Lynch states the Resolution was discussed on the Council floor. He is of the opinion it is a good idea and a chance to see what the aims of the various departments are and wish to spend the money they are requesting and as the years go by, to see their track record as to how they spend this money.

Discussion ensues on the above Resolution.

On motion of Councilwoman Brassil, seconded by Councilman Stravato, it is voted to transmit the above Resolution to the City Council with recommendation the same be Adopted.

Councilman Bradshaw desires to be recorded as voting "No".

RESOLUTION REQUESTING AN APPROPRIATION OF ONE THOUSAND DOLLARS (\$1,000.00) TO ITALIAN AMERICAN WAR VETERANS OF THE UNITED STATES, INCORPORATED, TO HELP DEFRAY EXPENSE OF ITS NATIONAL CONVENTION SCHEDULED TO BE HELD IN PROVIDENCE ON AUGUST 21, 22 AND 23, 1975.

Chairman Lynch outlines the above Resolution and it is brought out this is not a yearly request.

Accordingly, on motion of Councilman Stravato, seconded by Councilman McKiernan, it is voted to transmit the above Resolution to the City Council with recommendation the same be Adopted.

RESOLUTION REQUESTING THE CITY SOLICITOR TO SUBMIT TO THE GENERAL ASSEMBLY AND URGE PASSAGE OF THE ACCOMPANYING ACT AMENDING CHAPTER 90 OF THE PUBLIC LAWS OF 1974, ENTITLED "AN ACT AUTHORIZING THE CITY OF PROVIDENCE TO ISSUE NOT EXCEEDING \$5,000,000 BONDS AND NOTES FOR ACQUIRING LAND FOR AND CONSTRUCTION, EQUIPPING AND FURNISHING NEW SCHOOLS AND ADDITIONS TO EXISTING SCHOOLS AND FOR ACQUIRING LAND AND BUILDINGS TO BE USED FOR SCHOOL PURPOSES, FOR RECONSTRUCTION, REHABILITATING AND MODERNIZING SUCH BUILDINGS AND FOR PROVIDING EQUIPMENT AND FURNISHINGS IN CONNECTION THEREWITH."

Mr. Izzo states the Resolution will eliminate the amount of time the City has to borrow money; in the original act in the General Assembly, they had a time limit. He states the limit of time being eliminated is the only change, they will have unlimited time to borrow. Bond Counsel had stated the terminology was incorrect.

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On motion of Councilman McKiernan, seconded by Councilman Stravato, it is voted to transmit the Resolution to the City Council with recommendation the same be Adopted.

RESOLUTION REFUNDING TO CERTAIN TAXPAYERS SUMS OF MONEY REPRESENTING OVERPAYMENT OF CITY TAXES TO THE CITY COLLECTOR FOR THE YEARS 1973 AND 1974.

On motion of Councilman McKiernan, seconded by Councilwoman Brassil, it is voted to transmit the above Resolution to the City Council with recommendation of Adoption.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1974-19, APPROVED JUNE 19, 1974, BY APPROPRIATING THE SUM OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS TO CONTINGENCIES 1-13-01-ITEM 1.

Mr. Izzo states there is a statement of operations shown to the Committee that comes out every three months, that explains in detail, what is spent on the Contingencies. The fund where they do not have a particular department, which may increase during the year, comes from this fund. The bulk of the fund in the past was used for legal services for union negotiations.

He states there should have been an amount in someone's budget to cover this, that is why use of the funds have been exhausted in the present budget. The training program for delinquent juveniles, which Mayor Doorley approved, had no money to pay it.

Benefacts issues a statement at the end of the year on all fringe benefits and no money was provided for that. That is a few of the reasons for the money request.

Following is what Mr. Izzo presented to the members of the Committee:

"An Analysis of Contingencies for the fiscal year 1974-1975 in the total amount of \$90,000.00 budgeted reveals the following break down:

1. Amounts paid to date		
a) Legal Fees		\$23,650.00
b) Arbitration		5,425.00
c) Study Retirement System-Peat-Marwick-Mitchell		30,909.00
d) Chapin Hospital Appraisal		3,000.00
e) Purchase land-Rhodes Street		2,500.00
f) Bond Council Fees		1,275.00
g) Benefacts (Annual Statements) Fringe Benefits		6,000.00
h) Track Repairs		1,500.00
i) Uniforms-Park Department		1,062.00
j) Bonding Personnel		3,130.00

Some of the \$25,000.00 request for additional funds in contingencies will be used for

1) American Public Welfare Association	6,314.00
2) Benefacts	9,000.00
3) Legal Fees-Contract Negotiations-Police & Fire	No Estimate Possible
4) Peat, Marwick, Mitchell-Auditing	5,000.00

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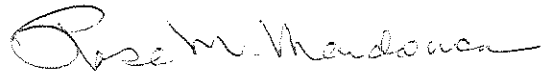
On motion of Councilman McKiernan, seconded by Councilman Stravato, it is voted to transmit the foregoing Ordinance to the City Council with the recommendation the same be Adopted.

AN ORDINANCE AMENDING SECTION 1 OF CHAPTER 1974-55, APPROVED DECEMBER 20, 1974, ENTITLED "AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES AND THE NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE CITY DEPARTMENTS".

AN ORDINANCE AMENDING CHAPTER 1974-58, ENTITLED: "AN ORDINANCE ESTABLISHING A COMPENSATION PLAN FOR THE CITY OF PROVIDENCE", APPROVED DECEMBER 20, 1974.

On motion of Councilman McKiernan, seconded by Councilman Garan, it is voted to Continue the above Ordinances in Committee. Councilman Bradshaw desires to be recorded as voting "No".

ADJOURNMENT. On motion of Councilman Crowley, seconded by Councilman McKiernan, the Committee adjourns at 4:15 o'clock P.M.


Assistant Clerk